

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 INRE-00 CIAE-00 DODE-00
NSCE-00 SSO-00 SP-02 INR-10 NEA-10 PM-05 /055 W
-----063167 261345Z /43

O 261255Z JUL 78

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC IMMEDIATE 4323

UNCLAS STOCKHOLM 2865

E.O. 11652: N/A

TAGS: PEPR, MASS, SW, IN, US

SUBJECT: TEXTS OF SWEDISH PRESS TREATMENT OF VIGGEN STORY

REF: STOCKHOLM 2860

1. FOLLOWING IS EMBASSY'S INFORMAL TRANSACTION OF FULL TEXTS OF
EXPRESSEN STORY AND EDITORIAL OF JULY 26 CONCERNING US DECISION
TO BLOCK SWEDISH SALE OF VIGGEN TO INDIA.

2. UNDER HEADLINE READING "CARTER'S NO TO THE VIGGEN DEAL: SAAB
LOSES BILLIONS AND 600 NEW JOBS UP IN SMOKE," EXPRESSEN'S ERIC
SJOQUIST WRITES:

"PRESIDENT JIMMY CARTER HAS DEFINITELY STOPPED SAAB'S ATTEMPTS TO
SELL THE VIGGEN TO INDIA. NEGOTIATIONS RE A SALE OF 40 VIGGEN
PLANES AND LICENSED MANUFACTURING OF SOME 90 PLANES HAVE BEEN
INTERRUPTED. THE OFFICIAL REASON IS SAID TO BE THAT THE VIGGEN HAS
AN AMERICAN ENGINE WHICH IS MANUFACTURED UNDER LICENSE IN
TROLLHATTAN. BUT BEHIND THE CARTER ADMINISTRATION'S INTERFERENCE
THERE ARE MILITARY POLICY CONSIDERATIONS."

"THE SWEDISH EMBASSY IN WASHINGTON WAS INFORMED IMMEDIATELY AND
THEY COULD ONLY STATE THAT IT WAS IMPOSSIBLE FOR SAAB TO CONTINUE
THE NEGOTIATIONS WHICH HAVE BEEN CARRIED OUT WITH REPRESENTATIVES
OF THE INDIAN GOVERNMENT."

"THE U.S. DOESN'T WANT ANY MILITARY SYSTEMS WITH COMPONENTS OF
AMERICAN ORIGIN TO BE SOLD TO INDIA. THE AMERICANS WOULD THEN
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FEEL FORCED TO EXPORT MILITARY EQUIPMENT ALSO TO PAKISTAN. THE
SENSITIVE SITUATION NOW PREVAILING BETWEEN INDIA AND PAKISTAN-WITH
A RISK OF CONFLICT-LEADS THE AMERICANS TO TRY TO PREVENT SALES OF
AIRPLANES, AMONG OTHER THINGS, TO BOTH NATIONS."

"THE VIGGEN, HOWEVER, WOULD NOT CONTRIBUTE TO THE REINFORCEMENT
OF INDIA'S DEFENSE. THE SWEDISH AIRPLANES WOULD JUST REPLACE OLD
AND WORN OUT INDIAN MILITARY AIRCRAFT. THE AMERICAN ARGUMENT-

TO PREVENT INDIA FROM OBTAINING NEW MILITARY EQUIPMENT-WOULD, ACCORDING TO SWEDISH MILITARY EXPERTS, NO BE RELEVANT."

"THE U.S. ATTITUDE ON THIS MATTER IS VERY STRANGE" A SOURCE SAYS TO EXPRESSEN.

"AS FOR THE SWEDISH GOVERNMENT, THERE ARE NO OBSTACLES IN PRINCIPLE TO THE SALE OF THE VIGGEN TO INDIA. THE QUESTION OF AN EXPORT PERMIT WOULD BE DECIDED BY THE GOVERNMENT WHEN THE VIGGEN IS READY FOR DELIVERY TO INDIA."

"THE GOVERNMENT CAN SAY NO TO SUCH A DELIVERY, EVEN IF THE DEAL HAS BEEN MADE AND SIGNED-THAT IS IF THE GOVERNMENT CONSIDERS THE AREA IN QUESTION TO BE THREATENED BY CONFLICT."

"IN THE CASE OF SAAB AND INDIA IT SAYS IN DIPLOMATIC LANGUAGE THAT: THE U.S. ATTITUDE HAS BEEN STUDIED BY THE EMBASSY IN WASHINGTON" AND "AS FAR AS THEY KNOW THE U.S. WILL NOT GRANT PERMISSION."

"NOW WHEN NEITHER THE U.S. NOR SWEDEN CAN SELL AIRPLANES TO INDIA, THE INDIAN GOVERNMENT WILL HAVE TO CHOOSE BETWEEN THE FRENCH MIRAGE F1 AND THE ANGLO-FRENCH PLANE JAGUAR. PRESIDENT CARTER CANNOT PREVENT THE FRENCH OR THE BRITISH FROM PROVIDING INDIA WITH NEW AIRPLANES."

"SAAB'S VIGGEN WAS COMPETING WITH JAGUAR AND F1 IN INDIA. IF THE SWEDISH COMPANY HAD GOTTEN THE ORDER, IT WOULD HAVE MEANT SOME 600 NEW JOBS AND A MULTI-BILLION KRONOR DEAL FOR SAAB."

3. EXPRESSEN EDITORIAL, PUBLISHED IN SAME EDITION IS TITLED

"DOES CARTER RULE SWEDEN?" AND READS:

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"THE MAJORITY OF THE SWEDISH GOVERNMENT IS ON HOLIDAY. BUT ACTING MINISTER OLA ULLSTEN & COMPANY NO DOUBT SAY "NO THANK YOU" TO THE HELP IN GOVERNING SWEDEN THAT U.S. PRESIDENT JIMMY CARTER NOW HAS PROVIDED WITHOUT EVEN BEING ASKED."

"AS BECOMES CLEAR FROM A NEWS ITEM IN TODAY'S EXPRESSEN, CARTER HAS DECIDED THAT SWEDISH SAAB SHOULD NOT SELL THE VIGGEN TO INDIA. IT'S A MATTER OF A POTENTIALLY GIGANTIC DEAL FOR SAAB WHICH HAS BEEN NEOGITATING A SALE INVOLVING SOME 40 AIRPLANES AND LICENSED MANUFACTURING OF ANOTHER 90."

"THE U.S. CAN STOP THE DEAL SINCE THE VIGGEN ENGINE IS MANUFACTURED UNDER AMERICAN LICENSE VY VOLVO FLYGMOTOR IN TROLLHATTAN. THE REASON BEHIND THIS SUDDEN INTERVENTION IN SWEDISH GOVERNMENT AFFAIRS IS APPARENTLY THAT THE U.S. DOESN'T WISH TO BE PORTRAYED AS PARTIAL IN THE EVER MORE TENSE SITUATION BETWEEN INDIA AND PAKISTAN. IT'S CONSIDERATIONS LIKE THIS THAT THE SWEDISH GOVERNMENT MAKES OVER AND OVER AGAIN WHENEVER THERE IS TALK ABOUT SWEDISH ARMS EXPORT. SWEDEN TAKES A MOST RESTRICTIVE STAND, NEGATIVE FOR OUR ARMS EXPORT, BUT POSITIVE FOR OUR INTERNATIONAL REPUTATION."

"KNOWING THIS BASIC ATTITUDE IN THE SWEDISH GOVERNMENT, THE U.S. OUGHT NOT TO HAVE FOUND IT NECESSARY TO ACT AS A CHIEF GUARDIAN. SINCE THE EXPORT ORDER WAS NOT EVEN A FACT, AND THE PLANES EVEN

LESS READY TO BE DELIVERED, THE SWEDISH GOVERNMENT PRESENTLY
DOESN'T SEEM TO CONSIDER THE AREA TO BE THREATENED BY CONFLICT.
BUT THAT EVALUATION COULD BE CHANGED."
"IT ALSO SEEMS AS IF THE DEAL WOULD NOT REALLY MEAN A MAJOR

STRENGTHENING OF THE INDIAN DEFENSE-NOT MORE THAN WHAT NORMALLY
HAPPENS WHEN OLD EQUIPMENT IS REPLACED BY NEW. IT DOESN'T SEEM
VERY LIKELY THAT THIS DEAL WOULD HAVE FORCED THE U.S. TO SELL
WAR MATERIAL TO PAKISTAN. THE ONLY THING THE U.S. WILL ACHIEVE
IS TO GIVE THE FRENCH OR ANGLO-FRENCH COMPANIES AN EXPORT
ORDER. IS THAT THE ACTUAL INTENTION?"
KENNEDY-MINOTT
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STOCKH02865
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780306-0592
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780717/aaaaaodb.tel
Line Count: 136
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6ee9576c-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STOCKHOLM 2860
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1875455
Secure: OPEN
Status: NATIVE
Subject: TEXTS OF SWEDISH PRESS TREATMENT OF VIGGEN STORY
TAGS: PEPR, MASS, SW, IN, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/6ee9576c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014